

THIS REPORT AND ITS EVALUATION ARE OF NON-CIG ORIGIN. DISTRIBUTION OR REPRODUCTION PERMITTED ONLY IF CONTENTS ARE PARAPHRASED AND INTERWOVEN WITH OTHER MATERIAL.

CENTRAL INTELLIGENCE GROUP
INTELLIGENCE REPORT

U.S. OFFICIALS ONLY

~~CONFIDENTIAL~~

~~SECRET~~

Approved For Release 2000/06/26 : CIA-RDP82-00457R000100050005-4

25X1A2g

25X1A2

Document [REDACTED]
DO CHANGE in Class. ☐
☐ DECLASSIFIED
Class. CHANGED TO: TS
DDA Memo, 4 Apr
Auth: DDA REG. 77/1763
DATE: 25X1A6a By: [REDACTED]

COUNTRY Austria

SUBJECT Trade Negotiations Between Bulgaria and Austria

25X1A6a

ORIGIN

25X1X6

DATE:

INFO.

DIST. 28 October 1946

PAGES 2

SUPPLEMENT

*See
backside
for change
in classification*

25X1A9a

UNCLASSIFIED

25X1A9a

X	3	X	X						
WAR	NAVY	JUSTICE	R & E	C & D					

25X1X6

1. Detailed discussions took place on 12 September 1946 on the subject of over-all prices of various goods which are to form the basis of the agreement concerning the exchange of goods between Austria and Bulgaria. So far, the negotiators have been unable to establish a satisfactory ratio in lewa and schillings. The currency problem is causing great difficulty. An evaluation of deliveries in a third currency cannot be seriously considered by either Austria or Bulgaria. A suggestion was made that the Swiss franc be taken as a basis for evaluating the deliveries but this suggestion was rejected because of the danger that both countries might establish the export prices according to Swiss quotations. The representatives of the Austrian tobacco administration were particularly opposed to this because it would mean an unacceptable increase of the price of tobacco imports. As a compromise, a return to the pre-1938 system of tobacco clearing was suggested; that is to say, the Austrian tobacco administration would pay for its tobacco purchases in Bulgaria with Austrian-produced goods, and settle for them directly with the Austrian suppliers.
2. Gueff, the head of the Bulgarian trade delegation, was of the opinion that the quantities of Bulgarian tobacco delivered directly to Austria would not be very considerable. He mentioned the sum of one to one and a half million schillings at the most, quoting the 1937 price level. Nearly all available quantities of exportable tobacco have to be delivered to Russia and are placed on the world market from Moscow for the Russian account. In 1945, Bulgaria did not have more than 28% of her normal quantity of export tobacco at her disposal. A second difficulty in the delivery of Bulgarian agricultural produce is the fact that on the Austrian side the corresponding government agency does not exist. A particular case in point is the Bulgarian offer of 800-1,200 tons of fruit pulp for immediate delivery. However, since all food stocks are controlled by the Bulgarian State, delivery transactions cannot be made with private enterprises, as was formerly the custom. For internal political reasons no one firm can be given a monopoly; on the other hand, the quantities now being offered are too small to interest a large number of undertakings. Only two possibilities are practicable. One is to offer the quota to the Julius Meinel A.G. or some other big jam manufacturing concern; the other is to offer it to the Vienna Cooperative Society. In case the Cooperative Society (Konsumgenossenschaft) should become a partner in this transaction, the Bulgarians would be willing to deal with the Cooperative, since most deliveries of agricultural produce in Bulgaria are carried out through a Bulgarian cooperative organization, the NAPRED.

25X1A9a

CLASSIFICATION

~~CONFIDENTIAL~~

U.S. OFFICIALS ONLY

ADSO	A DEP.	X	FBT	SPDE	VTO				
DADSO	FBK		FBV	SPDS	B DEP.				
EXEC.	X	FBK	FBK	SPDT	CFCB				
CONTROL	FBM	X	FBZ	SCO	CTRB				
PLANS	FBP	X	SPDA	TBR					

Approved For Release 2000/06/26 : CIA-RDP82-00457R

25X1A9a

CENTRAL INTELLIGENCE GROUP

- 2 -

3. Agreement on industrial questions also appears to present difficulties. The Bulgarians expressed the desire to receive delivery of fine cotton thread. Before 1938, this item was of considerable importance in Bulgarian-Austrian trade. The thread manufacturing factories, however, have suffered the loss of their technical equipment and do not have the necessary raw materials. There is a possibility that the Bulgarians will provide the raw cotton. Also under discussion was the preliminary processing of 100 carloads of raw cotton of Russian origin, which could be shipped to Austria by way of the Danube.
4. The Bulgarians are also interested in the delivery of electromotors, Diesel engines, trucks, and railway equipment. The concerns Elin (Aktiengesellschaft für elektrische Industrie), Simmeringer Waggonfabrik (sic), and Steyr ~~_____~~ Comment: Probably Steyr-Daimler-Puch A.G.) would fill these orders.
5. Another point under discussion was the evaluation of Austrian property in Bulgaria. Austrian banks, trade and industrial undertakings have been requested to furnish details of property valuations in Bulgaria. Statements are to be submitted to the Office of the Federal Chancellory and the Ministry of Property and Economic Planning. Gueff stated in a private conversation that Austrian property in Bulgaria was treated by the Soviet Union in the same way as German property; that is to say, it was requisitioned. He personally did not believe that it would be possible to save the nominal value of Austrian property. Any such negotiations would have to be carried out with the assistance of the Russians.
6. On 12 September, the interested parties estimated that the total volume of possible Austrian-Bulgarian deliveries within a foreseeable time would be between five and eight million schillings. This sum includes the following:
- a. Austrian Deliveries:
- Motors and machines, approx. 2 millions.
- Electro-technical material" 1 million.
- Paper approx. 1 million.
- Railway equipment and trucks approx. 1.5 million.
- b. Bulgarian Deliveries
- Tobacco 1.5 million.
- Fruit pulp 0.5 "
- Hides and furs 1 "
- Agricultural produce (Maize, sunflower seeds) 2 "

~~CONFIDENTIAL~~~~SECRET~~ CONTROL

U.S. OFFICIALS ONLY